

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7414

BILL NUMBER: HB 1438

NOTE PREPARED: Jan 4, 2007

BILL AMENDED:

SUBJECT: Mechanic's liens.

FIRST AUTHOR: Rep. Foley

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: No Fiscal Impact

Summary of Legislation: The bill establishes an optional prelien notice process that may be used in commercial construction projects. It provides that, as a prerequisite for acquiring lien rights, a contractor who provides labor or material in a commercial construction project must notify the owner of the property not more than 30 days after the provision of labor or materials. It also requires a property owner who intends to use the prelien notice process to provide notice by: (1) posting the prelien notice process on the worksite; (2) including a reference to the prelien notice process on bid documents; and (3) if applicable, describing the prelien notice process on a relevant website maintained by the property owner or principal contractor.

Effective Date: July 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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